

BLUE RIBBON PANEL
Department of Transportation Building
105 West Capitol
Jefferson City, Missouri
February 17, 2003

Minutes of Meeting

Meeting Notice

The Blue Ribbon Panel appointed by the Missouri Highways and Transportation Commission (MHTC) met on Monday, February 17, 2003, in the Department of Transportation Building, 105 West Capitol, Jefferson City, MO. The meeting convened at 11 a.m.

The meeting agenda, showing the date, time, and location of the meeting, was posted in keeping with Section 610.020 of the 2000 Revised Statutes of Missouri, as amended.

Attendance

Members present:

Dr. Jack Magruder, Chairman
Ray Beck
Tom Irwin
Freeman McCullah
John Mehner
Karen Messerli
Joe Ortwerth
Steve Roberts
Larry R. Stobbs
Morris Westfall

Members absent:

Emanuel Cleaver
Jim Henson

MoDOT Staff present and providing resource information:

Henry Hungerbeeler, Director
Kevin Keith, Chief Engineer
Pat Goff, Chief Operating Officer
Rich Tiemeyer, Chief Counsel

Summary of Meeting

Call to Order – Approval of Minutes

Dr. Jack Magruder, Chairman, called the meeting to order. Upon motion duly made and seconded, the minutes of the January 28, 2003, minutes were approved with corrections of typographical errors on pages 2 and 7.

Comments from MoDOT Director

MoDOT Director Henry Hungerbeeler expressed appreciation to the panel members for contributing their time to objectively review MoDOT's past and current accountability, credibility, and efficiency. He stated his confidence in the competence and integrity of MoDOT management and their efforts to continually improve operations. He said he would welcome recommendations from the panel.

Review of Resource Material

The MoDOT staff reviewed resource material provided to the panel members. During that review, the panel discussed the issues summarized below.

1992 Fifteen Year Plan

The Panel restated its position, as expressed at the January 28, 2003, meeting, that the 1992 Fifteen Year Plan is an issue pertaining to MoDOT's credibility that merits review and recommendations from the panel. Discussions during the meeting attempted to answer the following questions:

Why in 1998 did the Commission say it was "abandoning" the 1992 Plan when it appears that MoDOT continues to construct projects that were identified in that plan?

Chief Engineer Kevin Keith stated that the Commission action taken in 1998 related to the 1992 Plan was intended to fully disclose to the public that all projects in the 1992 Plan could not be accomplished within any foreseeable time period due to lack of resources.

Mr. Keith pointed out, however, that because of the many critical needs on the State Highway System, the project priorities determined since 1998 have closely aligned with those in the 1992 Plan. He stated that during the past ten-year period, 97 percent of MoDOT's construction funds were allocated to projects that were identified in the 1992 Plan; 92 percent of the projects constructed during that period were identified in the 1992 Plan. Mr. Keith noted that many other projects identified in the 1992 Plan continue to have high priority and have been or will be included in current and future Five Year construction programs; however, changing conditions may dictate that roadway and bridge needs identified since 1992 be assigned a higher priority than some of the projects in the original 1992 Plan as MoDOT moves forward.

Why wasn't there enough money to construct the 1992 Plan?

The panel members and MoDOT staff discussed reasons for the lack of success in constructing the 1992 Plan as originally proposed and identified the following:

1. The original 1992 Plan cost exceeded projected revenues by \$1.4 billion.
2. Higher standards were implemented for road and bridge construction (thickness of pavement, width of shoulders, etc.)

3. The scope of the projects was increased as dictated by project development details and public input.
4. The 1992 Plan projects built to date have cost 43 percent more than the original estimates. Reasons:
 - a. To meet the deadlines required in the legislative process, projects were estimated using statewide averages of costs for improvements on the three major highway systems, without the benefit of knowing the exact location and scope of the project.
 - b. No inflation or project growth factor was included in the project estimates.
5. Insufficient funds were included in the 1992 Plan (or previous plans) for taking care of the existing system.
6. Legislative actions subsequent to 1992 allocated funds to areas other than construction of roads and bridges on the state highway system.

Why have those representing the rural areas of Missouri continued to be concerned about the Commission's 1998 action advising that the 1992 Plan could not be completed when projects included in the plan have continued, to date, to comprise the major part of MoDOT's construction program?

Mr. Hungerbeeler explained that it was his understanding that the 1992 Plan was proposed with a view toward providing needed improvements in all areas of the state, without regard to the allocation of funds to geographical areas or category of need. However, when tallied over the 15-Year period, 60% of the estimated cost for projects in the plan would have been spent in the rural area; 40% in the St. Louis and Kansas City urban areas. The Commission's declaration that the 1992 Plan could not be completed as proposed was coupled with a decision to distribute funds equally between the urban and rural areas, thereby reducing the allocation to the rural areas. Conversely, the urban areas felt the 1992 Plan did not give due consideration to their needs.

Mr. Hungerbeeler recognized that all areas of the state need more funds for transportation improvements. He felt, however, that an objective funding allocation method would more fairly address the needs on the State Highway System and be more easily understood and accepted by those in both the rural and urban areas. The Commission adopted such a method on January 10, 2003.

MoDOT Corrective Actions

During the discussion of the 1992 Plan issue above, Mr. Keith noted that MoDOT no longer makes estimates without knowledge of the project location and scope. Estimates are project specific and consider location, terrain, number of interchanges, and other details specific to the job. In addition he noted that the staff adds 3 percent for project growth and inflation to every estimate. Mr. Keith reported that as a result of this effort, construction projects completed in Fiscal Year 2002 were within .8 of 1 percent of the original program estimates.

Mr. Ortwerth asked for the amount of gap between the revised cost estimates for the projects remaining in the 1992 Fifteen Year Plan and the revenue available for construction projects. The staff will report this information back to the panel.

Because issues pertaining to the 1992 Plan reflect negatively on MoDOT's credibility the Panel will continue its review of this issue.

Soundwalls

Dr. Magruder noted that the panel members had received a number of e-mails about MoDOT operations, many of which pertained to the construction of sound walls.

Mr. Keith explained that sound walls have a very low priority given the many critical needs on the State Highway System; however, in keeping with federal requirements, sound walls must be constructed in those cases where MoDOT reconstructs a portion of the Interstate system when the noise levels and number of receptors (residences/businesses) justify the cost of doing so.

Mr. Keith acknowledged that MoDOT has also constructed a limited number of sound walls that were not federally required. Generally these sound walls are built in communities that developed after the Interstate system was in place. The local area must contribute 50 percent of the cost to construct sound walls that are not federally mandated.

Mr. Ortwerth reported that he was familiar with the construction of non-mandated sound walls where there is an appearance of inequity because the walls have been constructed in the more affluent parts of the urban area.

In response to a request from Mr. Roberts, Mr. Keith will provide the panel with further information on sound walls, including their locations, whether they were optional, justification criteria, the total amount of funds spent on the walls, and the relationship of the expenditure to the overall budget.

Allocation of Funds – Clarification of Terms

In response to Senator Westfall, Mr. Keith defined the following three terms:
Maintenance – Work accomplished by MoDOT forces that keeps the roadway in its current condition, such as mowing, patching potholes, and fixing culverts.

Rehabilitation and Reconstruction – Work accomplished by contract that improves the road, such as asphalt overlay, bridge deck replacement, adding turn lanes, adding shoulders.

Expansion or Major Projects – Work accomplished by contract on projects that results in major changes to a road to increase capacity, such as adding dual lanes, or projects that are very expensive, such as rebuilding the Grandview Triangle in Kansas City.

Mr. Hungerbeeler and Mr. Keith explained that the Commission had approved an allocation method at its January 2003 meeting that will require \$400 million of the total funds available for construction to be used on rehabilitation and reconstruction; \$100 million to be spent on either rehabilitation and reconstruction or major projects as determined by the local areas, and the remaining to be spent for expansion or major projects.

Mr. Keith stated that implementation of the new funding allocation method will not be fully reflected by the projects in the Statewide Transportation Improvement Program (STIP) until year 2007. He explained that MoDOT is committed to projects in year 2004 of the STIP based on the previous funding allocation (generally 50% rural:50% urban). Projects in years 2005 and 2006 of the STIP will be constructed in keeping with that schedule, but they will be reviewed as to category in an effort to partially transition to the new funding allocation method. The Five Year rolling STIP currently being prepared by the MoDOT staff for Commission consideration in late spring 2003 will allow full implementation of the new funding allocation process for projects in the last year (Fiscal Year 2007) of the STIP.

Mr. Keith explained that the process and specific detail for determining which projects will be assigned to which category of funding and the process for allocation of the \$100 million flexible portion is currently being developed by the staff for further consideration by the Commission. He anticipated the staff work would not be completed for several months.

In response to a request from Mr. Roberts, Mr. Keith will furnish the draft process to the panel so it can comment thereon to the staff and in its recommendations to the Commission.

In response to Senator Westfall, Mr. Keith said in keeping with the panel's previous discussions, he anticipated a staff presentation at a future meeting to explain the funding allocation method approved by the Commission on January 10, 2003, in more detail.

Maintenance

Mr. Hungerbeeler clarified that funding for maintenance of roads and bridges performed by the MoDOT staff was not a part of the construction funding allocation process described above.

Mr. Stobbs noted that MoDOT is increasing its maintenance efforts and asked if additional employees would be needed for that effort.

Mr. Hungerbeeler and Mr. Keith explained that the staff continually evaluates its maintenance operation to determine which tasks are accomplished most efficiently and economically by MoDOT forces and which are better accomplished by outsourcing. They pointed out that increased economy and efficiency had been realized by outsourcing resurfacing of supplemental routes, installing guardrail, and mowing in some portions of the state. However, economical outside sources cannot be found to remove snow during a snowstorm as efficiently as MoDOT forces. The staff is attempting to find a balance between maintenance tasks performed by maintenance contract and those performed by MoDOT employees and does not anticipate increasing the number of maintenance employees to accomplish a higher level of maintenance.

Mr. Stobbs suggested that an identifying color be used for MoDOT equipment to better identify MoDOT forces who frequently get criticized for activities conducted by others working on the right of way.

Communications

Dr. Magruder stated that some citizens have reported that they are advised of public hearings; however, they do not feel the outcomes of those hearings are advertised.

Mr. Keith explained that MoDOT's process regarding follow-up information is not consistent for every project. He stated that extensive public affairs attention is given to projects such as the Grandview Triangle in Kansas City to be sure the public is aware of the decision made regarding the type of improvement to be built. He noted, on the other hand, that an isolated bridge replacement on a rural road would receive little, if any, public affairs resources.

Mr. Irwin stated that Missouri citizens would take opposing views on most decisions that are made by MoDOT. He felt that the issue meriting further investigation was how to educate the public to understand that the transportation decisions being made are wise decisions.

Various panel members made the following suggestions to improve MoDOT communications for further consideration as they discuss this issue:

1. Question and answer column in weekly newspapers.
2. Partnerships with local communities to share resources, public information channels, and coordinated local newspaper reports.

3. Increase knowledge of MoDOT employees about Department issues.
4. Allow MoDOT decision making at the local level.

Decision Making Involving Local Area

Mr. Keith reviewed MoDOT's cooperative planning process with metropolitan planning organizations and regional planning commissions. He noted that MoDOT practices the spirit of cooperation in this process more than most other states in the nation.

MoDOT, as federally directed, works cooperatively with the major metropolitan planning organizations to determine project priorities in those areas. Mr. Keith explained that in rural Missouri, MoDOT uses regional planning commissioners to provide local input. He noted, however, that the regional planning commissions are required to form a transportation advisory committee comprised of local elected officials and/or citizens to provide this input. Mr. Keith pointed out that while MoDOT does not relinquish its right to make project selections, the local areas are involved in the process that leads to a cooperative understanding of the reasons for selecting specific projects.

While some of the panel members acknowledged the benefit of involving the local areas to provide input on regional needs, they felt the process needs to clearly reflect that MoDOT considers the best interests of the state as a whole and uses its professional engineering expertise to make the final determination on project priorities.

The transportation planning decision-making process currently being developed by the MoDOT staff will be presented to the panel for its review.

Federal Transportation Reauthorization Act

In response to Mr. Irwin's question about the expectation of MoDOT as it pertained to the federal transportation reauthorization act now under consideration, Mr. Keith expressed optimism with recent Congressional action approving the 2003 budget at the same level as 2002 when the staff had anticipated a substantial reduction. He did not feel, however, this level of funding would increase over the six-year term of the new act at the rate experienced during the previous six years.

Roadway Costs/Size of State Highway System

Mr. Keith cautioned that using an average cost for construction of a mile of improvement is not valid due to the differences in terrain in Missouri and the types of improvements to be constructed. He noted that projects generally cost less in northern Missouri and the Bootheel region because of terrain, soil conditions, and other factors. As examples of the variance of cost for major improvements, Mr. Keith stated that the estimate for improvement of I-64 in St. Louis is \$45 million per mile; the improvement of Route 36 will cost approximately \$2.6 million per mile.

Mr. Keith noted that of Missouri's 32,000+-mile state system, 83 percent of the traffic occurs on 9,000 miles (interstates, National Highway System, and major arterials). The remaining 18 percent of traffic occurs on the remaining 24,000 miles (supplementary system). Costs for maintenance range from an average of \$25,000 per mile on the interstate system to an average of \$5,000 per mile on the supplementary system. Mr. Keith stated that while the cost per mile to maintain the supplementary system is lower than on the higher traffic volume systems, upgrades to these routes rarely are considered.

The panel discussed the size of the State Highway System and travel thereon. Senator

Westfall and Mr. Beck pointed out that any consideration given to reassigning responsibility for the lower volume roadways would need to be accompanied by a funding mechanism.

Bridge Costs

Mr. Keith reported that Missouri has more major bridges than any other state in the nation with 55 major bridges over the Missouri River, Mississippi River, and major lakes. Missouri ranks seventh in the nation in total number of bridges. Between 1997 and 2001, MoDOT built or rehabilitated nearly 1200 bridges in Missouri at a cost exceeding \$1 billion, or an average of \$867,000 per bridge. Major bridge replacement costs in recent years range between \$35 million for a two-lane structure to \$100 million.

Mr. Keith noted that 400 bridges on the supplementary system are currently rated Condition 3, which is one step from being closed. He expressed concern that funding is not available to improve the bridges in a time frame that would prevent future closures. Funding to do so was proposed in Proposition B; however, the locations of the Condition 3 bridges were not specified.

Proposition B

Rich Hood, MoDOT Director of Communications, reviewed the Zogby poll and University of Missouri poll conducted after the failure of Proposition B.

Mr. Irwin said both polls reflect a lack of trust of government, which reinforces the need to determine how government can connect with the public to give it confidence in governmental decisions.

Mr. Ortwerth asked for further information on the polls in an effort to determine whether voters have a strong preference for the source of funding for roads and bridges (sales taxes versus motor fuel tax and/or other user fees).

Mr. Ortwerth and Senator Westfall also requested additional information pertaining to national comparisons of costs assigned to the trucking industry (diesel differential, license fees, property tax assessment, excise tax, sales tax, etc.).

Credibility Issues

Mr. Beck noted that MoDOT “credibility,” many times involves little things, such as not covering work zone signs when no work is taking place.

Future Meetings

The Panel set the following meeting dates: March 14, March 31, April 8, and April 28.

Future Agenda Items

Mr. Irwin suggested that the Panel meet with someone who has knowledge about transportation issues in other states. He will contract Tom Warne, former head of the American Association of State Highway and Transportation Officials and former head of the Utah Department of Transportation, about his availability to meet with the panel.

In response to Dr. Magruder’s proposal to investigate the reasons why needed funding issues receive voter support or disapproval, Mr. Irwin will attempt to identify or contact someone who participated in a successful effort.

Ms. Messerli and Mr. Mehner suggested the Panel hold some of its meetings in locations other than Jefferson City. This issue will be further considered by the Panel.

Senator Westfall and Mr. Ortwerth noted that the Panel needs to gain the perspective of MoDOT employees and investigate MoDOT operations in its effort to address the credibility, accountability, and efficiency charges of the Commission.

Senator Westfall asked that the Panel consider MoDOT employee morale at a future meeting.

Mr. Ortwerth asked that the issue of centralization/decentralization as it pertains to decision making be pursued further by the Panel.

Adjournment

The Blue Ribbon Panel adjourned its meeting at 3:00 p.m.

Information Requested During the Meeting

1. Information on sound walls—dollars spent—location—relationship of the expenditures to the overall budget--criteria. (Roberts/Beck)
2. Truck related costs compared to other states (diesel differential, license fees, excise tax, sales tax, etc.). (Ortwerth/Westfall)
3. Further information on poll conducted by the University of Missouri in an effort to determine whether voters have a strong preference for the source of funding for roads and bridges (sales taxes versus motor fuel tax and/or other user fees). (Ortwerth)
4. Review gap between 1992 Plan estimated project costs and anticipated revenue. Begin with 1998 and move forward to most current report. (Ortwerth)
5. Determine reason for higher staffing level in 2001 than in years 2000 and 2002. (Stobbs)
6. Proposed process for allocation of funds between rehabilitation and reconstruction and major projects—transportation planning decision making process. (Roberts) *Mr. Keith noted this would not be available for several months.*

Prepared by:
Mari Ann Winters
(573) 751-3704
wintem@mail.modot.state.mo.us